The Myanmar Investment Commission

Union of Myanmar
Form (2)
Sr. No. 0598
Dated 6.8.96
Myanmar Investment Commission

PERMIT

Permit No. 205/96 *Date* 6th AUGUST 1996

The Myanmar Investment Commission issues this Permit under Section 10 of the Union of Myanmar Foreign Investment Law -

(a) Name of Promoter MANAGING DIRECTOR, MYANMA PETROCHEMICAL ENTERPRISE

(b) Citizenship MYANMAR

(c) Address NO.23, MIN-YE-KYAWZWA ROAD, YANGON

(d) Name and address of principal organization MYANMA PETROCHEMICAL ENTERPRISE, NO.23 MIN-YE-KYAWZWA ROAD, YANGON

(e) Place of incorporation YANGON

(f) Type of business in which investment is to be made PRODUCTION, DISTRIBUTION AND SERVICES FOR CARBON DIOXIDE (CO_2)

(g) Place (s) at which investment is permitted THANLYIN REFINERY (NO. 1)

(h) Amount of foreign capital US $ 2.6 MILLION

(i) Period for bringing in foreign capital 5 MONTHS

(j) Total amount of capital (Kyat) 24.0 MILLION (KYAT TWENTY FOUR MILLION ONLY)

(k) Permitted duration of investment 20 YEARS

(l) Name of the economic organization to be formed in Myanmar MYANMAR CARBONIX LIMITED

Chairman

The Myanmar Investment Commission

ပြည်ထောင်စုမြန်မာနိုင်ငံတော် မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှုကော်မရှင်
စာအမှတ် ...
နေ့စွဲ ...

မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှုကော်မရှင်

ခွင့်ပြုမိန့်

ခွင့်ပြုမိန့်အမှတ် ၂၀၇/၉၆ ၁၉၉၆ ခုနှစ်၊ ဩဂုတ် လ ၆ ရက်။

ပြည်ထောင်စုမြန်မာနိုင်ငံတော် နိုင်ငံခြားရင်းနှီးမြှုပ်နှံမှု ဥပဒေပုဒ်မ ၁၀ အရ ဤခွင့်ပြုမိန့်ကို မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှု ကော်မရှင်က ထုတ်ပေးလိုက်သည် -

(က) ကမကထပြုသူ၏အမည် ဦးဆောင်သွန်းကြား ရေးမှူး၊ မြန်မာ့ရေနံဓါတုဗေဒလုပ်ငန်း

(ခ) မည်သည့်နိုင်ငံသား မြန်မာ

(ဂ) နေရပ်လိပ်စာ အမှတ် ၂၃၊ မင်းရဲကျော်စွာလမ်း
ရန်ကုန်မြို့

(ဃ) ပင်မအဖွဲ့အစည်းအမည်နှင့်လိပ်စာ မြန်မာ့ရေနံနှင့်ဓါတုဗေဒလုပ်ငန်း
အမှတ် ၂၃၊ မင်းရဲကျော်စွာလမ်း၊ ရန်ကုန်

(င) ဖွဲ့စည်းရာအရပ်
ရန်ကုန်

(စ) ရင်းနှီးမြှုပ်နှံမှုပြုလုပ်မည့်လုပ်ငန်းအမျိုးအစား ကာဗွန်ဒိုင်အောက်ဆိုဒ်ဓါတ်ငွေ့
ထုတ်လုပ်ဖြန့်ဖြူး ရောင်းချခြင်း လုပ်ငန်း

(ဆ) ရင်းနှီးမြှုပ်နှံမှုပြုလုပ်ခွင့်ပြုသည့်အရပ်ဒေသ(များ)
အမှတ် (၁) ရေနံချက်စက်ရုံ၊ သန်လျင်

(ဇ) နိုင်ငံခြားမတည်ငွေရင်း အမေရိကန်ဒေါ်လာ ၂.၆ သန်း

(ဈ) နိုင်ငံခြားမတည်ငွေရင်းယူဆောင်လာရမည့်ကာလ
၇ လ

(ည) စုစုပေါင်း မတည်ငွေရင်း ပမာဏ(ကျပ်) ၂၄.၀ သန်း
(ကျပ်နှစ်ဆယ့်လေး သန်း တိတိ)

(ဋ) ရင်းနှီးမြှုပ်နှံခွင့်ပြုသည့်သက်တမ်း ၂၀ နှစ်

(ဌ) မြန်မာနိုင်ငံတွင် ဖွဲ့စည်းမည့် စီးပွားရေးအဖွဲ့အစည်းအမည်
MYANMAR CARBONIX LIMITED

ဥက္ကဋ္ဌ
မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှုကော်မရှင်

GOVERNMENT OF THE UNION OF MYANMAR
MYANMAR INVESTMENT COMMISSION
653 / 691, Merchant Street, Yangon.

Our ref : Ya Ka-1/297/96 (0598)
Dated : 6 August 1996

Tel : 272009, 272855
Fax : 095-01-282101
Tlx : 21368 INVEST BM

Subject : Decision of the Myanmar Investment Commission on the Proposal for "Production, Distribution and Services for Carbon Dioxide (CO_2)" under the name of "Myanmar Carbonix Limited".

Reference: Ministry of Energy letter No. 009 / 5 / Sa (614) dated 19-6-96.

1. The Myanmar Investment Commission, at its meeting 11/96 held on 26-7-96 had reviewed the proposal for "Production, Distribution and Services for Carbon Dioxide (CO_2)" under the name of "Myanmar Carbonix Limited" submitted as a joint venture between Myanma Petrochemical Enterprise and Air Liquide Industrial Services Pte. Ltd. of Singapore. After careful review, it was deliberated that the proposed project be approved in principle for implementation and the proposal be submitted to the Cabinet meeting for final approval.

2. The Cabinet, at its meeting 28/96 held on 31-7-96 resolved to permit the implementation of the said project. Hence, the "Permit" is herewith issued in accordance with Chapter VI, Section 10 of the Union of Myanmar Foreign Investment Law and Chapter VI, Rule 13 of the Procedures relating to the said Law. Terms and conditions to the "Permit" are stated in the following paragraphs.

3. The permitted duration of the project shall be 20 (Twenty) years from the date of establishment of the Joint Venture Company and extendable for another two 5 year terms upon mutual agreement between Myanma Petrochemical Enterprise and Air Liquide Industrial Services Pte. Ltd. subject to the approval of the Myanmar Investment Commission.

4. Myanma Petrochemical Enterprise shall have an option to increase its shareholding in the Joint Venture Company by buying at the fair market price up to 49% of the share in 3 lots of 5%, 5% and 4% respectively. The option for the first lot will be raised not earlier than the first fiscal year following the fiscal year during which the recoupment and the full repayment of any loan guarantee by Air Liquide Industrial Services Pte. Ltd. has been achieved. Second lot will be raised not earlier than the third fiscal year following the fiscal year of the purchase of the first lot. Third lot will be

raised not earlier than on the third fiscal year following the fiscal year of the purchase of the second lot.

5. Air Liquide Industrial Services Pte. Ltd. shall provide the Performance Bank Guarantee through the Myanma Foreign Trade Bank to the amount of 10% of its initial investment in favour of the Myanma Petrochemical Enterprise within 30 (Thirty) days after the date of signing of the Agreement.

6. In issuing this "Permit" the Commission has granted the following exemptions and reliefs:

(a) As per Section-21(a), exemption from income-tax up to three consecutive years from the year of commencement of commercial operation.

(b) As per Section-21(b), regarding exemption from income-tax on profits of the business if they are maintained in a reserve fund and re-invested therein within one year after the reserve is made, Myanmar Carbonix Limited shall apply for such exemption only after 3-year tax holiday period.

(c) As per Section-21(c), Myanmar Carbonix Limited shall be granted to accelerate depreciation in respect of machinery, equipment, building or other capital assets used in the business to the extent of the original value for the purpose of income-tax assessment. However, Myanmar Carbonix Limited shall have to apply to the Commission such rates of depreciation.

(d) As per Section-21(e), Myanmar Carbonix Limited shall have the right to pay income-tax payable to the State on behalf of foreigners who have come from abroad and are employed in the enterprise and the right to deduct such payment from the assessable income.

(e) As per Section-21(f), the Commission has also approved the right to pay income-tax on the income of the above-mentioned foreigners at the rates applicable to the citizens residing within the country.

(f) As per Section-21(g), regarding the right to deduct from the assessable income such expenses incurred in respect of research an development relating to the enterprise which are actually required and are carried out within the State, Myanmar Carbonix Limited shall apply, upon actual performance of such research and development programme, only after 3-year tax holiday period.

(g) As per Section-21(h), regarding right to carry forward and set-off up to three consecutive years from the year the loss is sustained following the enjoyment of exemption from income-tax, Myanmar Carbonix Limited shall file the case, if any, to the Ministry of Finance and Revenue in accordance with Section-4 of the Income Tax Amendment Law, 1991.

(h) As per Section-21(i), exemption from customs duty and all other internal taxes on machinery, equipment, instruments, machinery components, spare parts and materials used in the business, which they are imported as they are actually required for use during the period of construction.

(i) As per Section-21(j), exemption from customs duty and all other internal taxes on such raw materials and additional import of machinery, equipment and spare parts which are actually required for operation of the business shall be granted within three years of commercial operation following the period of construction. However, such imports shall be subject to the approval endorsed by Ministry of Energy.

7. Air Liquide Industrial Services Pte. Ltd. shall have to sign the Joint Venture Agreement with the Myanma Pertrochemical Enterprise. Myanmar Carbonix Limited shall have to sign the Land Lease Agreement with Myanma Petrochemical Enterprise. After signing such agreements, 5 copies each of those shall have to be forwarded to the Commission.

8. Myanmar Carbonix Limited, in consultation with the Department of Company Administration, Directorate of Investment and Company Administration shall have to be registered. After registration, (5) copies each of Certificate of Incorporation and Memorandum and Articles of Association shall have to be forwarded to the Commission.

9. Myanmar Carbonix Limited shall use its best efforts for timely realization of works stated in the Proposal. If none of such works has been commenced within one year from the date of issue of this "Permit", it shall be null and void.

10. The official date of operation shall be reported to the Commission.

11. The Commission approves periodical appointments of foreign experts and technicians from abroad as per Proposal.

12. In order to evaluate foreign capital in terms of Kyats and for the purpose of its registration in accordance with the provision under Section-24 of the Union of Myanmar Foreign Investment Law, it is compulsory to report as early as possible in the following manner.

(a) The amount of foreign currency brought into Myanmar, attached with the necessary documents issued by the respective bank where the account is opened.

(b) The detailed lists of the type and value of foreign capital defined under Section-2(h) of the Law, other than foreign currency, to the Chairman, Foreign Capital Evaluation Sub-Committee.

13. After all types of foreign capital (foreign currency and other types of foreign capital) have been brought into Myanmar, a report shall have to be submitted to the Commission as prescribed, vide letter No. Na-Ya 9/101/92(416) dated 3-12-92 [Annexure(1)]

14. Myanmar Carbonix Limited shall report to the Commission for any alteration in the physical and financial plan of the project. Cost over-run, over and above the investment amount pledged in both local and foreign currency shall have to be reported as early as possible.

15. Myanmar Carbonix Limited shall be responsible for the preservation of the environment at and around the area of the project site. Hence, it shall observe the directive issued by the Commission vide letter No. Ya Ka-1/139/94 (0440) dated 30-6-94 [Annexure(2)] to undertake all proper treatment systems and other necessary environmental control systems.

16. Myanmar Carbonix Limited shall follow the procedures prescribed by the Commission, vide letter No. Ya Ka-7/408/94 (0424) dated 29-6-94 [Annexure(3)] to expedite the clearance of imports of capital and inter-industry use goods brought in as capital investment and raw materials required during the initial 3-year operation period.

17. Myanmar Carbonix Limited, in consultation with Myanma Insurance, shall effect such types of insurance defined under Chapter VIII, Rule 15 of the Procedures relating to the Union of Myanmar Foreign Investment Law.

By Order,

Brig.-Gen Maung Maung

Secretary

(Minister at the Deputy Prime Minister's Office)

Managing Director

Myanma Petrochemical Enterprise

cc:
1. Office of the Chairman of State Law and Order Restoration Council
2. Office of the State Law and Order Restoration Council
3. Office of the Government of the Union of Myanmar
4. Deputy Prime Minister's Office
5. Ministry of National Planning and Economic Development
6. Ministry of Finance and Revenue

7. Ministry of Trade
8. Ministry of Energy
9. Ministry of Foreign Affairs
10. Ministry of Home Affairs
11. Ministry of Immigration and Population
12. Ministry of Labour
13. Chairman, Committee for Assisting the Myanmar Investment Commission (Governor, Central Bank of Myanmar)
14. Chairman, Foreign Capital Evaluation Sub-Committee (Director General, Central Equipment Statistics and Inspection Department)
15. Director General, Directorate of Investment and Company Administration
16. Director General, Customs Department
17. Director General, Internal Revenue Department
18. Managing Director, Myanma Foreign Trade Bank
19. Managing Director, Myanma Investment and Commercial Bank
20. Managing Director, Myanma Insurance
21. Director General, Directorate of Trade
22. Director General, Immigration and Manpower Department
23. Director General, Directorate of Labour
24. Chairman, Union of Myanmar Chamber of Commerce and Industry